

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1430

RURAL HOUSING AND ECONOMIC DEVELOPMENT IMPROVEMENT ACT OF 2007

Mr. HINOJOSA. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1982) to authorize appropriations for the rural housing and economic development program of the Department of Housing and Urban Development, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Housing and Economic Development Improvement Act of 2007".

SEC. 2. RURAL HOUSING AND ECONOMIC DEVELOPMENT ASSISTANCE.

(a) *USE.*—The Secretary of Housing and Urban Development may carry out a program, through the Office of Rural Housing and Economic Development, to provide assistance to Indian tribes, State housing finance agencies, State community or economic development agencies, local nonprofit organizations and community development corporations in rural areas to support innovative housing and economic development activities in rural areas.

(b) *REQUIREMENT OF SOCIAL SECURITY ACCOUNT NUMBER FOR ASSISTANCE.*—As a condition of initial or continuing assistance under any housing or economic development activity that is provided assistance with amounts made available under this section, the Secretary of Housing and Urban Development shall require that each member of a family so assisted (or of a family applying for such assistance) who is 18 years of age or older or is the spouse of the head of household of such family, shall have a valid social security number.

(c) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to the Secretary of Housing and Urban Development for assistance under this section—

- (1) \$30,000,000 for fiscal year 2008; and
- (2) \$40,000,000 for each of fiscal years 2009, 2010, 2011, 2012, and 2013.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HINOJOSA) and the gentleman from New Mexico (Mr. PEARCE) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HINOJOSA. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HINOJOSA. Madam Speaker, I yield myself such time as I may consume.

I rise today in strong support of H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007.

I introduced H.R. 1982 earlier this year. It was referred to the Committee

on Financial Services. Chairwoman MAXINE WATERS held a hearing on it in her Housing Subcommittee, and the committee reported it favorably to the floor to the point where we are today.

At this point, I would submit for the RECORD a statement of the National Association of Realtors in support of the Rural Housing and Economic Development Improvement Act.

STATEMENT OF THE NATIONAL ASSOCIATION OF REALTORS TO THE HOUSE FINANCIAL SERVICES COMMITTEE, SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY HEARING RURAL HOUSING PROGRAMS: REVIEW FISCAL YEAR 2008 BUDGET AND PENDING RURAL HOUSING LEGISLATION—MAY 9, 2007

Nearly 20% of the U.S. population live in non-metropolitan areas. Housing conditions in rural areas are generally worse than in urban or suburban neighborhoods. Federal rural housing programs are instrumental in providing affordable housing opportunities to low- and moderate income rural renters and homebuyers. The National Association of REALTORS® strongly supports federal housing programs that target rural communities and provide sufficient federal assistance needed to meet the housing needs of rural communities.

Many of our rural citizens face a serious housing crisis. Nearly all of the counties with the highest poverty rates in America are rural. As a result, access to an adequate supply of safe, affordable rental units, mortgage financing and housing assistance is especially important in these areas. Approximately 1.9 million rural renters have housing problems; the majority of these renters are spending more than 30% of their incomes for housing. These areas also generally have fewer mortgage lenders competing in the marketplace, a factor that raises the cost of home mortgages.

FY2008 budget proposals

The President's FY2008 budget proposal for the U.S. Department of Agriculture's Rural Housing Service (RHS) reflects a preference for loan guarantees and vouchers to provide low income rental housing. The President's budget proposal eliminates funding for the Section 502 single family direct loan program, while increasing funding for the Section 502 single family guaranteed loan program by 32%. Similarly, the proposal would eliminate funding for the Section 515 multifamily direct loan program (which provides loans to developers of affordable rental housing), while doubling funding for the Section 538 multifamily guaranteed program. Lastly, the budget proposes to increase from 2 to 3 percent, the guarantee fee on new 502 loans.

While NAR's members understand and support programs like loan guarantees that leverage available funds, we also believe that direct loan programs are also very important. In many rural communities, the Section 502 direct loan program is the only housing assistance available. Section 502 homeownership direct loan program loans are used primarily to help low income households purchase homes. They can be used to build, repair, renovate, or relocate homes, and to purchase and prepare sites, including providing water and sewage facilities. These loans may also be used to refinance debts when necessary to avoid foreclosure or when required to make necessary house repairs affordable. We strongly support the availability of sufficient federal assistance to ensure the Section 502 direct loan program responsibly addresses the housing needs of low and moderate income rural families.

Rental housing is also a critical need in rural communities. Approximately 7.8 million people in non-metropolitan areas in the U.S. are poor. Section 515 Rural Rental Housing Loans are direct, competitive mortgage

loans made to finance affordable multifamily rental housing units for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities. Since its inception in 1962, the Section 515 program has provided more than half a million decent rental homes affordable for the lowest income rural residents. We urge Congress to restore construction funding for the Section 515 program eliminated in the President's FY2008 budget so as to enable low-income rural families to find decent, safe, and affordable housing.

We also strongly oppose the proposed increase in the guarantee fee on 502 loans. Increasing the fee will mean that rural low- and moderate-income families will have to pay more for the opportunity to become homeowners. This may cause some families to become ineligible for a mortgage.

Pending rural housing legislation

The National Association of REALTORS® also supports H.R. 1982, the "Rural Housing and Economic Development Improvement Act of 2007", introduced by Rep. Hinojosa (D-TX). This bill would authorize the Rural Housing and Economic Development program at HUD that provides assistance to states and localities for housing and economic development activities in rural communities. The program provides limited funding on a competitive basis to community groups including local rural non-profits, community development corporations, housing finance agencies (HFAs), and economic development agencies. The funding may be used for capacity building and similar support for housing and economic development projects in areas with a population of less than 20,000. This program has been operating successfully at HUD but has not been authorized. HR 1982 would simply authorize the program and deserves Congressional support.

Conclusion

In closing, the National Association of REALTORS® appreciates this opportunity to comment on the needs for rural housing. We thank the Subcommittee for its attention to rural housing, and we urge your strong support of our policy and funding recommendations to improve rural housing opportunities.

Madam Speaker, 20 percent of our Nation's population lives in rural communities, yet far too many of these families live in conditions that are poor, inadequate or run down. To address these horrendous conditions, I co-founded and currently chair the Congressional Rural Housing Caucus. The goal of the caucus is to improve the availability, affordability and quality of housing in rural America.

H.R. 1982 provides \$30 million for the Rural Housing and Economic Development, known as the RHED, program respectively for fiscal year 2008, and \$40 million for fiscal years 2008 throughout the year 2013.

I believe this legislation will go a long way towards accomplishing the goals of the Congressional Rural Housing Caucus.

The Rural Housing and Economic Development program provides for capacity building at the State and at the local level for rural housing and economic development, and to support innovative housing and economic development activities in rural areas.

Funds made available under this program are awarded competitively on an annual basis through a selection process conducted by HUD. This program is established to assist nonprofit organizations in rural communities across America. Eligible applicants are local rural nonprofits as well as community development corporations, federally recognized Indian tribes, State housing finance agencies, and State community and/or economic development agencies.

Support for innovative housing and economic development activities is intended for, but not limited to, other costs for innovative housing and economic development activities.

Possible activities include the following: Preparation of plans; architectural drawings; acquisitions of land and buildings; demolition; provision of infrastructure; purchase of materials and construction costs; use of local labor markets; job training and counseling for beneficiaries; and financial services such as revolving loan funds and IDAs, which are the individual development accounts.

Other possible activities include home ownership and financial counseling, the latter of which is important to me in my role as the cofounder and cochair of the Financial and Economic Literacy Caucus with my friend Congresswoman BIGGERT.

The RHED program also allows for application of innovative construction methods, provision of financial assistance to homeowners, businesses and developers, and the establishment of CDFIs, lines of credit, revolving loan funds, microenterprises, and something that is much needed in my own district, small business incubators.

The Rural Housing and Economic Development Enhancement Act of 2007 will help the RHED program provide additional funding needed to increase and improve capacity, building at the State and local level for rural housing and economic development.

I urge my colleagues to vote for the bill.

Madam Speaker, I reserve the balance of my time.

Mr. PEARCE. Madam Speaker, I rise today in support of H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007. RHED is designed to provide grants to Indian tribes, State housing finance agencies, State community or economic development agencies, local nonprofit organizations and community development corporations.

H.R. 1982 was introduced in response to the administration's budget proposals for the fiscal year 2008, which zeros out the RHED program by consolidating it into the Community Development Block Grant program, CDBG.

This shows a continuing promise by the administration to more effectively manage its grant programs. However, preserving the one remaining outreach in HUD to rural communities is critical in helping our most impoverished citizens.

The Second District of New Mexico, which I represent, is one of America's most rural districts, and it is critical that Congress provide our rural citizens with the proper access to safe, affordable housing. For example, in the town of Columbus, New Mexico, near the Mexican border, there are citizens who have no running water in their homes. They must bring a pail to the center of town in order to get water for their families. Many times these individuals are overlooked because of geography, and we must protect their rights.

I would like to thank Congressman HINOJOSA for recognizing the need for safe housing in rural communities like those in southern New Mexico. The need for this kind of program is great in the Second District, and I am grateful to assist in seeing that Congress is coming to the aid of the neediest families in rural areas. I urge my colleagues to support this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. HINOJOSA. Madam Speaker, at this time, I wish to yield 5 minutes to my good friend, the gentleman from New Hampshire, Congressman PAUL HODES.

Congressman HODES has helped focus Congress' attention on rural housing issues and environmentally green, sustainable building practices. And he has earned the respect of those of us on that committee.

Mr. HODES. I thank the gentleman for yielding on this important bill.

Madam Speaker, I had the privilege to speak briefly on H.R. 1980. In many ways, H.R. 1982 is a companion measure.

This important act authorizes the Secretary of Housing and Urban Development, through the Office of Rural Housing and Economic Development, to implement important assistance programs to support innovative housing and economic development activities in rural areas. Both in my State of New Hampshire and in States around the country, this important act will provide much needed assistance.

I rise in strong support of this act. I urge my colleagues to unanimously approve of this measure.

Ms. WATERS. Madam Speaker, I rise in strong support of H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007. This bill authorizes \$30 million for the U.S. Department of Housing and Urban Development's, HUD, Rural Housing and Economic Development, RHED, program in FY 2008 and \$40 million for Fiscal Years 2009–2013.

Although Congress has funded RHED since 1999, this bill finally gives the program formal authorization. Such authorization is long overdue, as this competitive grant program has long-since proven its worthiness. According to the Office of Management and Budget, RHED grants have created more than 9,100 jobs and more than 112,000 housing units.

RHED grants are desperately needed to address the growing affordable housing crisis in rural America. While housing costs are lower

in rural America, so too are household incomes. As a result, rural America faces a growing affordability concern, particularly among renters. According to the 2005 American Housing Survey, nearly 3.6 million rural households are cost burdened, paying more than 30 percent of their monthly income for housing costs. The Department of Housing and Urban Development's biennial "worst case housing needs" survey reveals that, in 2005, nearly 1 million rural households paid more than half their incomes in housing costs and/or lived in substandard housing—a dramatic 51 percent increase since 2003.

RHED funding is prudently allocated—based on community need measured by poverty and unemployment rates, as well as by other indicators including rates of substandard housing and percentage of households facing affordability problems.

The RHED program also emphasizes specific high needs regions and populations. Over 60 percent of the organizations that have received RHED funds over the program's history serve high needs regions, which include Appalachia, the Mississippi Delta, the Border Colonias, Native American lands, and farmworkers.

The RHED program also targets smallest, most isolated rural communities, giving extra weight to applications proposing to serve areas with populations of 2,500 or less. Because of this targeting, the Housing Assistance Council estimates that almost one-third of RHED grants have been allocated to organizations serving the most remote rural counties.

RHED is an especially important housing resource for rural America because of its exclusive focus on rural communities—a unique niche among HUD programs, and one that helps redress the challenges rural communities face in obtaining funding in many other federal housing programs. For example, only 12 percent of section 8 funds go to non-metropolitan areas and the HOME program has no set-aside for rural communities, with the result that they receive a disproportionately small portion of formula grants. Less than 7 percent of FHA assistance goes to non-metropolitan areas. On a per-capita basis, rural counties fare worse with FHA, getting only \$25 per capita versus \$264 per capita in metro areas. Only about 10 percent of Veterans Affairs housing programs reach non-metropolitan areas and per capita spending in rural counties is only one-third that of metropolitan areas.

RHED fills such critical gaps left by other Federal housing and community development programs. Its flexible design supports comprehensive community development efforts that address the interconnected housing and economic development needs of rural communities. This targeted resource has enabled rural community organizations across the country to design and implement innovative programs and stabilize their communities. The ongoing need for the RHED programs is clear and I encourage my colleagues to vote for H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007.

Mr. RODRIGUEZ. Madam Speaker, I would like to thank Chairman FRANK and my friend Congressman HINOJOSA for bringing forth this important legislation and making it a priority for the American people.

I rise today in strong support of H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007, a bill that would implement an assistance program to support economic and housing development in rural areas. This act would provide assistance to Indian tribes, State housing finance agencies, State community or development agencies, local nonprofit organizations and community development corporations.

According to the Texas Low Income Housing Information Service, in Texas alone, more than one million people have lived in public housing over the past 60 years. In Texas and throughout the country, the majority of families living in public housing have very low income and have no alternative to public housing.

My Congressional District is very rural, and housing in these very low-income communities remains a top concern. This act would allow sustainable low income housing and improve the economic standard of our working-class families in Texas.

I ask all my colleagues to join me in supporting those in need of assistance by voting for this bill.

Mr. SMITH of Nebraska. Madam Speaker, In 2006, the Santee Sioux Tribe of Nebraska, in Niobrara, received a Rural Housing and Economic Development Innovative Support Grant award, to provide additional funding for a 40-unit subdivision in the Village of Santee.

Today, we will pass H.R. 1982, authorizing the Office of Housing and Urban Development to authorize the Rural Housing and Economic Development program to provide competitive grants to support housing and economic development in rural areas.

This program is the only exclusively rural housing program administered by HUD, and focuses on "high-risk" areas.

If rural areas of Nebraska are going to grow and prosper, we need strong, safe communities. H.R. 1982 is an investment in the future for struggling rural areas, and is a good step in the right direction.

Mr. PEARCE. Madam Speaker, I yield back the balance of my time.

Mr. HINOJOSA. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. HINOJOSA) that the House suspend the rules and pass the bill, H.R. 1982, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. PEARCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECOGNIZING AND HONORING THE CATHEDRAL SQUARE CORPORATION ON ITS 30TH ANNIVERSARY

Mr. HODES. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 408) recognizing and honoring the Cathedral Square Corporation on its 30th anniversary.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 408

Whereas in 1977 the Cathedral Church of St. Paul, the Cathedral of the Episcopal Diocese of Vermont, recognized the need to provide safe and affordable housing for its low-income seniors, organized the Cathedral Square Corporation, and began construction of a single project;

Whereas since that small beginning Cathedral Square Corporation has grown into one of the largest and most innovative nonprofit housing developers in Vermont;

Whereas the work of Cathedral Square Corporation has been groundbreaking, both literally and figuratively;

Whereas Cathedral Square Corporation has developed housing for persons with mental health challenges, and operates the housing in partnership with mental health agencies;

Whereas Cathedral Square Corporation has developed housing for younger adults with severe mobility impairments, and operates the housing in partnership with the Visiting Nurse Association;

Whereas Cathedral Square Corporation completed one of the first assisted living conversion projects in the country for very low-income seniors who otherwise would be in nursing homes;

Whereas Cathedral Square Corporation saved the historic Ruggles House, a property on the National Register of Historic Places, converting it to shared housing;

Whereas Cathedral Square Corporation developed an intergenerational community, serving the elderly, teenage parents, and parents returning to college;

Whereas Cathedral Square Corporation created Whitcomb Terrace, a housing development for persons of any age, income, or disability, which is a truly integrated, barrier-free community;

Whereas Cathedral Square Corporation recently completed construction of an innovative mixed-financing project, which is one of few such projects in the Nation and will be home to 63 senior households and 4 nonprofit organizations;

Whereas Cathedral Square Corporation currently manages housing for 837 seniors, 79 young adults with special needs, and 24 low-income children, and every property managed by the Corporation provides as many services as possible to enable independent living by the residents;

Whereas not only has Cathedral Square Corporation made possible 40 affordable housing communities throughout Vermont, but the Board of Directors and staff of the Corporation are always looking to the future, anticipating the housing and service needs of those Vermonters who otherwise would have few housing options; and

Whereas Cathedral Square Corporation does not just build housing, they provide homes: Now, therefore, be it

Resolved, That the House of Representatives recognizes and honors the tremendous accomplishments and dedication of Cathedral Square Corporation, a Vermont nonprofit housing development organization, on the occasion of its 30th anniversary.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Hampshire (Mr. HODES) and the gentleman from New Mexico (Mr. PEARCE) each will control 20 minutes.

The Chair recognizes the gentleman from New Hampshire.

GENERAL LEAVE

Mr. HODES. Madam Speaker, I ask unanimous consent that all Members

may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. HODES. Madam Speaker, I yield myself so much time as I may consume.

I rise today in support of House Resolution 408. This resolution recognizes and honors the Cathedral Square Corporation on its 30th anniversary in September of this year.

The Cathedral Square Corporation is based in Burlington, Vermont, in the district of my esteemed colleague, PETER WELCH.

In 1977, the Cathedral Church of St. Paul, the Cathedral of the Episcopal Diocese of Vermont, recognized the need to provide safe and affordable housing for its low-income seniors. It organized the Cathedral Square Corporation and began construction of a single project. Since then, it has grown into one of the largest and most innovative nonprofit housing developers in Vermont.

The Cathedral Square Corporation has developed much needed housing for persons with mental health challenges, younger adults with severe mobility impairments, and completed one of the first assisted living conversion projects in the country for very low-income seniors who otherwise would be in nursing homes. In addition, the Cathedral Square Corporation has worked with the community to save the historic Ruggles House, a property on the National Register of Historic Places, converting it to shared housing.

This extremely important organization has worked to develop an intergenerational community, serving the elderly, teenage parents, and parents returning to college.

In total, Madam Speaker, the Cathedral Square Corporation currently manages housing for 837 seniors, 79 young adults with special needs, and 24 low-income children. And every property managed by the corporation provides as many services as possible to enable independent living by the residents.

Madam Speaker, not only has Cathedral Square Corporation made possible 40 affordable housing communities throughout Vermont, but the board of directors and staff of this corporation are always looking to the future, anticipating the housing and service needs of those Vermonters who otherwise would have few housing options.

The Cathedral Square Corporation doesn't just build housing, they provide homes and help create community. They are an outstanding example to all housing groups, and I applaud their innovation and their diligent work and service to the community.

I congratulate the Cathedral Square Corporation. And this resolution congratulates them on 30 years of distinguished service.